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1986/09/23



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United States Department of State

Assistant Secretary of State
for East Asian and Pacific Affairs

Washington, D.C. 20520

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Mr. Roger Grossel
Manager, Export Administration
Hewlett-Packard
1550 Wilson Boulevard
Suite 600
Arlington, VA 22209

Dear Mr. Grossel:

I am responding to your September 18 letter, regarding problems Hewlett-Packard has had in obtaining licenses for export to China of certain high technology items and requesting a statement of U.S. export control policy toward the PRC.

It has been the view of four U.S. administrations that a stable, modernizing China will contribute to peace and stability in East Asia, and is in the U.S. foreign policy interest. U.S. policy is designed to allow U.S. businesses to participate fully in China's modernization program while retaining controls on truly sensitive equipment and technology.

U.S. high technology exports to China remain subject to control because of China's unique strategic capabilities, which are unlike those of other friendly countries. U.S. regulations outline areas of potential concern. These are: nuclear weapons and delivery systems, intelligence gathering, electronic warfare, anti-submarine warfare, power projection, and air superiority. In general, denial of cases should be based on a determination that the items in question will make a key contribution to Chinese capabilities in one of these areas.

The Office of Chinese Affairs has contacted the Commerce and Defense Departments regarding the pending cases mentioned in your letter. We are working with those agencies to resolve the cases, in a manner consistent with the President's China policy. I understand that you are in close contact with Commerce regarding the status of those cases.

I hope you find this information helpful. We welcome further communications from Hewlett-Packard or other companies with questions regarding our export control policy for China.

Sincerely,

Gaston J. Sigur

DEPARTMENT OF STATE	IS/PPC/COR	TS authority to:
<input checked="" type="checkbox"/> RELEASE	<input type="checkbox"/> DECLASSIFY <input type="checkbox"/> EXCISE	MR Cases Only: EO Citations
<input type="checkbox"/> DENY	<input type="checkbox"/> DECLASSIFY IN PART	<input type="checkbox"/> CLASSIFY IN PART
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